



State of Utah

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## **DWS News Release**

For 9:00 a.m. Release

**February 14, 2006**

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### **UTAH'S EMPLOYMENT SITUATION: January 2006**

Utah's seasonally-adjusted unemployment rate for January registered 3.7 percent, down over one full percentage point from the unemployment rate of 4.9 percent registered a year ago in January 2005. Approximately 46,300 Utahns were unemployed in January 2006 as compared to 59,000 in January 2005. December's unemployment rate stands unrevised at 3.8 percent.

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, registered 4.8 percent. This number represents a strong revision upward from the previously forecasted employment growth rates of the past several months. December's employment growth has been revised up to 4.6 percent from the 3.9-percent forecasted last month.

Mark Knold, Senior Economist for the Department of Workforce Services commented, "The economy generally moves in a methodical way. Whether up or down, it rarely takes large leaps in the process. But that's not to say it can't or that it doesn't. The hardest part of an economist's job is anticipating these strong jumps. During the third quarter of 2005, the Utah economy experienced one of these jumps. After operating in the mid 3-percent employment-growth range for the first half of 2005, the Utah economy unexpectedly jumped upward during last year's third quarter. Employment growth went from 3.6 percent in June to 4.6 percent by September, a movement upward of one percentage point in just three months. The most surprising aspect is that the economy did this in the face of last year's gas price run up, an action that was thought would be a slowing mechanism upon the economy. It did cause a slowing at the national level, but not here in Utah. The bottom line is that, with this increase that developed by September of last year, our current employment forecasts needed to be adjusted up."

Since January 2005, the United States economy has added 2.1 million new jobs — a growth rate of 1.6 percent. Over the past year, Utah's economy added approximately 52,700 new jobs, a growth rate of 4.8 percent. The Utah additions represent about 2.5 percent of all the new jobs added in the United States over the past year. The United States' unemployment rate continued to move downward, falling to 4.7 percent.

As has been the case throughout most of Utah's current economic expansion, all industrial sectors are contributing to the employment growth. This ranges from a high of 11,700 new jobs over the past year in the professional and business services sector, to only 800 new jobs in the small category labeled "other services."

The adjustment in the overall employment forecast is really the result of under-forecasting employment in one sector — professional and business services. Whereas employment gains were previously forecasted at around 7,000 new jobs over the past year, the revision has moved employment gains upward to nearly 12,000 new jobs over the past year in that sector. One of the positive aspects of that sector's growth is that it is staffed with high-paying occupations. Occupations generally found within this sector are characterized with high levels of education and high amounts of monetary reward. These include architects, engineers, programmers, accountants, lawyers, industrial designers, and consultants, to name a few. This sector lost its share of jobs during the economic downturn earlier this decade, so seeing them return in high numbers is one of the final reversals of that downturn's negative effects.

Building activity continues at a brisk pace in Utah. In response, the construction industry is expanding rapidly and is clamoring for more workers. Forecasts estimate that the construction industry has added approximately 9,000 new jobs to payrolls over the past year. Construction managers speak of plenty of work but a shortage of labor to do that work. A recently released job vacancy study by the Department of Workforce Services shows that the average hourly advertised construction wage as reported by construction businesses during the fourth quarter 2005 was \$16.30. One-year prior that same advertised wage was only \$12.10. This is a graphic example of what happens when there is a labor shortage and the wage bidding that can occur within a booming industry.

Thousands of additional jobs are being created across Utah's other industrial sectors. Close to 8,200 new jobs were recorded in the trade, transportation, and utilities sector over the past year. Education and health services contributed another 5,500 new jobs over the past year, continuing its long-running and consistent positive performance within the Utah economy.

When employment growth is this strong in Utah, it generally means that the areas away from the metropolitan Wasatch Front are also doing well economically, and this time is no exception. The high price of oil and the continuing need for natural gas have spawned an energy boom in Utah's Uintah Basin. Generally low key Duchesne and Uintah counties are currently undergoing a strong economic expansion, with year-over employment growth rates of 10.7 and 8.7 percent respectively.

Population growth, housing and land speculation, and proximity to Las Vegas and California is moving along not only Washington County's economy (9.8 percent year-over employment growth), but also Iron County's (8.9 percent). However, the gains are not just limited to those two larger southwestern counties. The Beaver County economy is growing by 7.3 percent, Kane County by 3.7 percent, and even tourist-dependant Garfield County's employment base is growing at 3.5 percent. These are just some examples showing that most all areas of the state are benefiting by this broad-based economic expansion.

**Utah's February employment numbers will be released at 9:00 a.m. on Tuesday, March 21, 2006.**

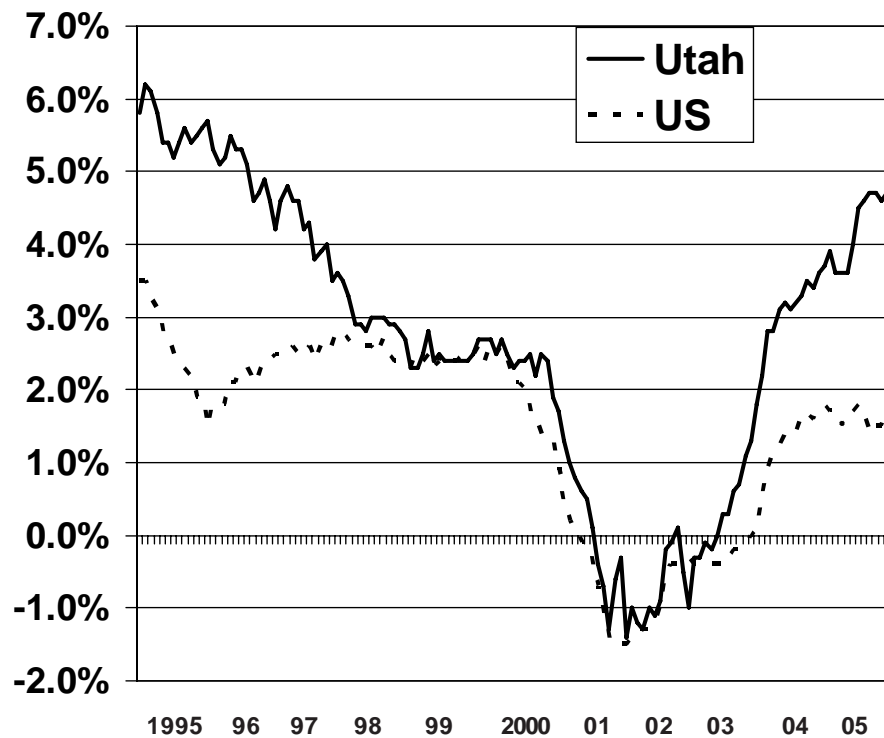
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## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

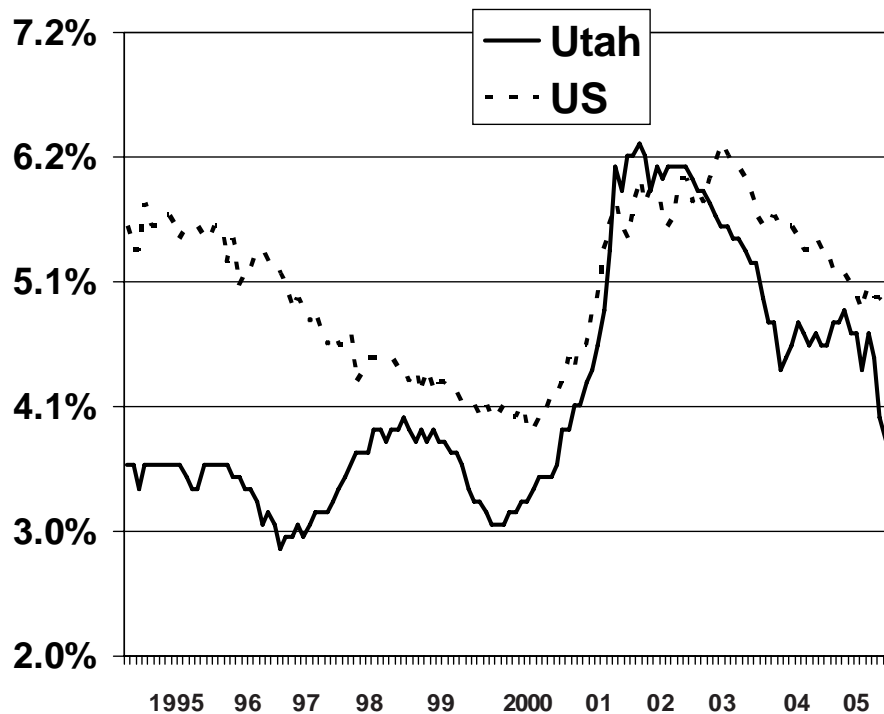
Numbers are in thousands and are <u>not seasonally adjusted.</u>	January(f) 2006	January 2005	Percentage Change	Dec.(r) 2005	Dec. 2004	Percentage Change
<b>CIVILIAN LABOR FORCE</b>	<b>1,235.7</b>	<b>1,203.1</b>	<b>2.7</b>	<b>1,241.7</b>	<b>1,209.3</b>	<b>2.7</b>
Employed	1,186.1	1,141.1	3.9	1,198.3	1,153.4	3.9
Unemployed	49.6	62.0	-20.0	43.4	55.9	-22.4
Unemployment Rate	4.0	5.2		3.5	4.6	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,163.7</b>	<b>1,111.0</b>	<b>4.8</b>	<b>1,188.7</b>	<b>1,136.3</b>	<b>4.6</b>
<b>GOODS PRODUCING</b>	<b>207.8</b>	<b>194.2</b>	<b>7.0</b>	<b>213.6</b>	<b>199.7</b>	<b>7.0</b>
<b>Natural Resources, and Mining</b>	<b>9.0</b>	<b>7.6</b>	<b>18.5</b>	<b>9.1</b>	<b>7.5</b>	<b>21.0</b>
<b>Construction</b>	<b>80.2</b>	<b>71.2</b>	<b>12.7</b>	<b>84.7</b>	<b>75.1</b>	<b>12.7</b>
Construction of Buildings	18.0	15.9	12.7	18.9	16.8	12.2
Heavy and Civil Engineering	7.1	6.6	7.6	8.0	7.5	4.8
Specialty Trade Contractors	55.2	48.6	13.4	57.8	50.8	13.7
<b>Manufacturing</b>	<b>118.5</b>	<b>115.4</b>	<b>2.7</b>	<b>119.8</b>	<b>117.0</b>	<b>2.4</b>
<b>Durable Goods</b>	<b>79.7</b>	<b>76.8</b>	<b>3.7</b>	<b>80.4</b>	<b>77.5</b>	<b>3.7</b>
Primary and Fabricated Metals	15.5	14.8	4.7	15.6	14.9	4.8
Computer and Electronic Products	11.0	10.9	0.7	11.1	11.0	0.4
Transportation and Equipment Manufacturing	14.5	14.1	2.9	14.5	14.0	3.4
<b>Non-Durable Goods</b>	<b>38.9</b>	<b>38.5</b>	<b>0.9</b>	<b>39.4</b>	<b>39.5</b>	<b>-0.2</b>
Food Manufacturing	13.1	13.6	-3.7	13.4	13.9	-3.5
Printing and Related Support Activities	6.6	6.8	-1.8	6.8	7.2	-5.7
<b>SERVICES PROVIDING</b>	<b>955.9</b>	<b>916.8</b>	<b>4.3</b>	<b>975.1</b>	<b>936.6</b>	<b>4.1</b>
<b>Trade, Transportation, and Utilities</b>	<b>227.8</b>	<b>219.6</b>	<b>3.7</b>	<b>237.3</b>	<b>229.5</b>	<b>3.4</b>
<b>Wholesale Trade</b>	<b>44.0</b>	<b>41.8</b>	<b>5.1</b>	<b>44.2</b>	<b>42.0</b>	<b>5.3</b>
<b>Retail Trade</b>	<b>135.8</b>	<b>132.4</b>	<b>2.6</b>	<b>144.5</b>	<b>141.5</b>	<b>2.2</b>
Motor Vehicle and Parts Dealers	17.0	16.3	4.4	17.2	16.5	4.4
Food and Beverage Stores	21.9	21.8	0.5	22.6	22.5	0.4
General Merchandise Stores	26.2	26.6	-1.5	29.0	29.5	-1.5
<b>Transportation and Utilities</b>	<b>48.0</b>	<b>45.4</b>	<b>5.8</b>	<b>48.6</b>	<b>46.0</b>	<b>5.6</b>
Utilities	4.0	3.9	2.8	4.0	3.9	2.8
Transportation & Warehousing	44.1	41.6	6.0	44.6	42.1	5.8
Air Transportation	7.1	6.1	16.3	7.0	6.0	16.3
Truck Transportation	17.0	16.9	0.6	17.7	17.6	0.4
<b>Information</b>	<b>33.8</b>	<b>31.0</b>	<b>9.3</b>	<b>33.9</b>	<b>31.0</b>	<b>9.3</b>
Publishing Industries	9.5	9.0	5.7	9.4	8.6	9.0
Motion Picture and Sound Recording	4.9	4.4	11.5	5.2	4.4	16.1
Telecommunications	5.7	5.7	0.4	5.8	5.8	0.4
Internet Service Providers	8.7	7.4	17.9	8.9	7.5	18.0
<b>Financial Activities</b>	<b>68.6</b>	<b>65.5</b>	<b>4.7</b>	<b>69.9</b>	<b>66.9</b>	<b>4.5</b>
Finance and Insurance	51.6	49.6	3.9	52.6	50.7	3.7
Real Estate and Rental and Leasing	17.1	15.9	7.1	17.3	16.2	7.0
<b>Professional and Business Services</b>	<b>149.9</b>	<b>138.2</b>	<b>8.5</b>	<b>154.1</b>	<b>142.1</b>	<b>8.4</b>
Professional, Scientific, and Technical Services	57.0	52.4	8.8	57.7	53.1	8.6
Architectural, Engineering, and Related	10.6	9.7	8.6	10.9	10.1	7.9
Computer Systems Design and Related	13.1	11.4	14.9	13.2	11.5	14.6
Management of Companies and Enterprises	20.9	20.8	0.7	21.2	21.1	0.7
Administration & Support						
& Waste Management & Remediation	72.0	65.0	10.8	75.1	67.8	10.8
Employment Services	24.2	20.2	19.4	26.7	22.4	19.1
Business Support Services	18.4	18.0	2.0	18.1	17.4	4.2
<b>Education and Health Services</b>	<b>132.4</b>	<b>126.9</b>	<b>4.3</b>	<b>133.3</b>	<b>127.6</b>	<b>4.4</b>
Educational Services	30.6	29.4	4.0	30.6	29.3	4.6
Health Services and Social Assistance	101.8	97.5	4.4	102.6	98.3	4.4
Ambulatory Health Care Services	38.5	36.6	5.1	39.0	37.2	4.9
Hospitals	29.4	28.4	3.6	29.8	28.8	3.3
Nursing and Residential Care Facilities	19.2	18.3	4.9	19.4	18.4	5.3
Social Assistance	14.7	14.1	3.7	14.6	14.0	4.2
<b>Leisure and Hospitality</b>	<b>104.1</b>	<b>100.9</b>	<b>3.1</b>	<b>106.0</b>	<b>103.6</b>	<b>2.3</b>
Arts, Entertainment, and Recreation	17.6	16.3	8.0	18.0	17.3	3.9
Accommodation and Food Services	86.5	84.6	2.2	88.0	86.3	2.0
Accommodation	16.9	16.4	2.7	16.6	16.2	2.2
Food Services and Drinking Places	69.6	68.2	2.1	71.5	70.1	2.0
<b>Other Services</b>	<b>33.2</b>	<b>32.4</b>	<b>2.3</b>	<b>33.8</b>	<b>33.0</b>	<b>2.5</b>
<b>Government</b>	<b>206.1</b>	<b>202.3</b>	<b>1.9</b>	<b>206.8</b>	<b>203.0</b>	<b>1.9</b>
<b>Federal Government</b>	<b>34.9</b>	<b>34.1</b>	<b>2.5</b>	<b>35.2</b>	<b>34.3</b>	<b>2.5</b>
Federal Defense	16.3	16.0	1.7	16.4	16.2	1.6
Other Federal Government	18.6	18.0	3.2	18.8	18.2	3.3
<b>State Government</b>	<b>63.9</b>	<b>62.7</b>	<b>1.8</b>	<b>63.9</b>	<b>62.8</b>	<b>1.8</b>
State Schools	35.4	34.9	1.5	35.8	35.3	1.5
Other State Government	28.4	27.8	2.1	28.1	27.5	2.2
<b>Local Government</b>	<b>107.4</b>	<b>105.5</b>	<b>1.7</b>	<b>107.7</b>	<b>105.8</b>	<b>1.8</b>
Local Education	64.0	62.8	2.0	63.9	62.7	2.0
Other Local Government	43.4	42.8	1.4	43.8	43.1	1.5

Source: Utah Department of Workforce Services f = forecast r = revised February 14, 2006

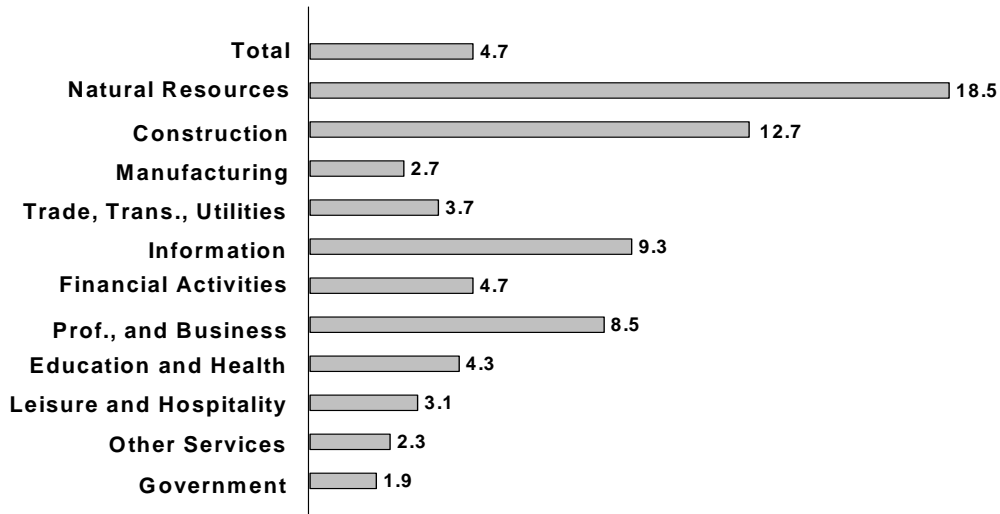
## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

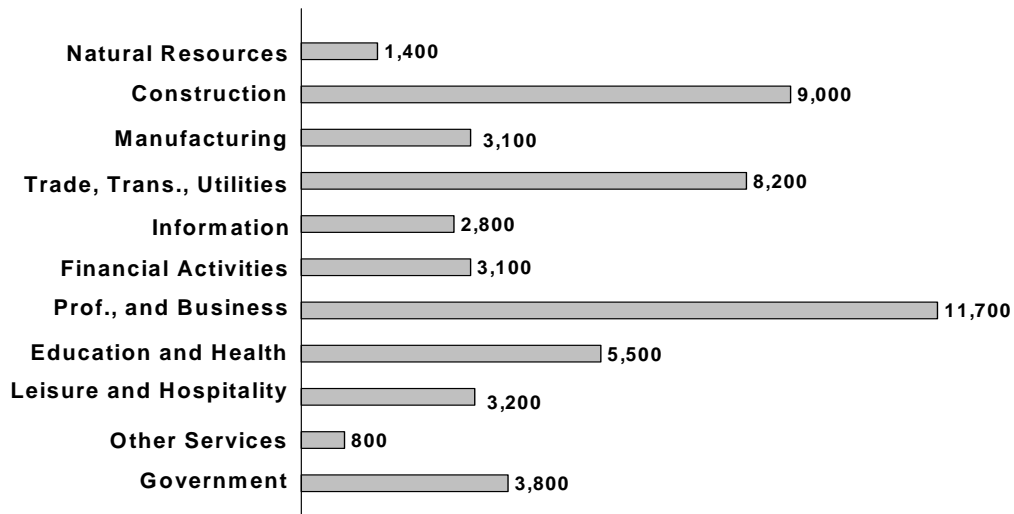


## Utah Nonfarm Job Growth (Percent Change) January 2005 – 2006



Source: Utah Department of Workforce Services

## Utah Nonfarm Job Growth (Numeric Change) January 2005 – 2006



Source: Utah Department of Workforce Services

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	January 2006(f)	January 2005	Percent Change	Dec. 2005(r)	Nov. 2005(r)
<b>State Total</b>	1,163,703	1,110,931	4.8	1,188,690	1,182,814
<b>Bear River</b>	67,388	65,910	2.2	68,372	68,093
Box Elder	19,316	18,225	6.0	19,511	19,425
Cache	47,540	47,145	0.8	48,300	48,100
Rich	531	540	-1.6	561	568
<b>Wasatch Front</b>	764,422	733,081	4.3	781,746	778,651
<b>North</b>	187,669	181,774	3.2	192,868	193,500
Davis	95,077	91,575	3.8	97,892	98,813
Morgan	1,851	1,830	1.2	1,860	1,864
Weber	90,741	88,369	2.7	93,116	92,823
<b>South</b>	576,753	551,307	4.6	588,878	585,151
Salt Lake	562,070	538,485	4.4	574,464	570,837
Tooele	14,683	12,822	14.5	14,415	14,314
<b>Mountainland</b>	199,287	188,746	5.6	203,298	199,575
Summit	22,638	20,669	9.5	22,072	18,809
Utah	170,844	162,670	5.0	175,324	174,914
Wasatch	5,805	5,407	7.4	5,902	5,853
<b>Central</b>	22,748	21,876	4.0	23,281	23,469
Juab	3,243	2,933	10.6	3,211	3,200
Millard	3,848	3,693	4.2	3,932	3,942
Piute	310	319	-2.8	327	335
Sanpete	7,137	6,857	4.1	7,326	7,368
Sevier	7,369	7,237	1.8	7,619	7,697
Wayne	841	837	0.5	866	927
<b>Southwestern</b>	71,478	65,490	9.1	72,793	73,102
Beaver	1,984	1,849	7.3	1,995	1,993
Garfield	1,806	1,744	3.5	1,857	2,078
Iron	16,798	15,425	8.9	16,935	17,058
Kane	2,445	2,357	3.7	2,656	2,805
Washington	48,445	44,115	9.8	49,349	49,168
<b>Uintah Basin</b>	18,388	16,810	9.4	18,483	18,604
Daggett	380	346	9.7	374	432
Duchesne	5,984	5,407	10.7	6,034	6,127
Uintah	12,024	11,057	8.7	12,075	12,044
<b>Southeastern</b>	19,993	19,018	5.1	20,717	21,319
Carbon	9,070	8,558	6.0	9,148	9,242
Emery	3,654	3,539	3.2	3,791	3,871
Grand	3,589	3,341	7.4	3,874	4,261
San Juan	3,680	3,580	2.8	3,904	3,945

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 2/14/06